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Wheat Shipment Problems on Canadian Railroads

1. The Canadian Wheat Board calculates it is behind schedule by some 3.5 million tons in meeting shipping targets through June 1974. The grain board shipment schedule is dependent on uninterrupted service by the railroads which must supply the cars and ultimately set the priorities for car allocation if there is a shortage of available cars for loading.

2. The current shortfall in shipments appears to be largely the net result of an initially tight car supply aggravated by a railroad strike that backlogged all types of freight. Granting priority to wheat shipments was thus inhibited by at least equally urgent requirements for the movement of other commodities.

3. Local sporadic rail strikes began in late September, culminating in a two-week general strike, the effects of which were largely alleviated by mid-November. To clear up the strike-related backlogs, most available Canadian rolling stock was dispatched to Thunder Bay on Lake Superior -- a shorter haul compared to Vancouver or the eastern Canadian Maritimes.

4. Because of saturation of the Thunder Bay route, the Canadians would likely have assigned additional cars leased from the US railroads to the Saskatchewan-Vancouver run -- about 1,000 miles. Assuming the Canadians had available 2,500 additional US hoppers (90 ton net load each) for a 6-month period,

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and further assuming a possible 10 day turnaround time in unit train operation on the Vancouver run, an additional four million tons of wheat might have been moved.* Any delays for port congestion or other causes would have diminished this potential.

5. The Canadian railways have recently proposed the reconditioning of some retired cars to ease the current shortage. The Canadian National and Canadian Pacific railways estimate that they have a total of 2,800 grain cars which could be returned to service in a fairly short time -- perhaps at the rate of 20 a day and a cost of \$3,000 per car (\$8.4 million total). There is also a possibility that the Canadians may recall a number of cars now operating in the US.

* Based on assumed turnaround time, each car would make 3 trips per month.

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